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GUIDANCE FOR SCHOOL FUNDING LEGISLATION PASSED IN THE 2009 SESSION AND AMERICAN RECOVERY AND REINVESTMENT ACT (REVISED September 28, 2009)

The following is guidance for reporting and tracking of revenues and expenditures related to funding provided in several bills approved in the 2009 Session and funding provided by the American Recovery & Reinvestment Act (ARRA):

House Bill 2 (HB2)	General appropriations act
House Bill 676 (HB676)	Statutory implementation of general appropriations act
House Bill 645 (HB645)	Implement receipt of and appropriate federal stimulus and recovery funds
House Bill 152 (HB152)	Quality schools facility grant program

The complete bill text can be found at these links:

HB2:	http://data.opi.mt.gov/bills/2009/billpdf/HB0002.pdf
HB676:	http://data.opi.mt.gov/bills/2009/billpdf/HB0676.pdf
HB645:	http://data.opi.mt.gov/bills/2009/billpdf/HB0645.pdf
HB152:	http://data.opi.mt.gov/bills/2009/billpdf/HB0152.pdf

The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law by President Obama on February 17th, 2009. The overall goals of the ARRA are to stimulate the economy in the short term and invest in education and other essential public services to ensure the long-term economic health of our nation.

Four principles guide the distribution and use of ARRA funds:

- a. Spend funds quickly to save and create jobs.**
- b. Improve student achievement through school improvement and reform.**
- c. Ensure transparency, reporting and accountability.**
- d. Invest one-time ARRA funds thoughtfully to minimize the "funding cliff".**

Quarterly reporting is required for transparency and accountability purposes under the ARRA.

House Bill 2 and House Bill 676, 2009 Legislative Session – HB2 and HB676 provide funding for increases in the basic and per-ANB entitlements in FY2010 and FY2011 in the General Fund. There are no new revenue or expenditure codes needed to track these funds.

House Bill 645, 2009 Legislative Session – HB 645 includes appropriations for the following four allocations: 1) State Fiscal Stabilization funding for K-12 BASE budgets; 2) Deferred Maintenance & Energy Efficiency Improvement grants; 3) Quick Start Energy Grants; and 4) State Special Education Allowable Costs.

ARRA State Fiscal Stabilization Fund – CFDA 84.394.

Distributed by the Office of Public Instruction through the direct state aid payment. Deposit in General Fund (01) using revenue code 7800. Use expenditure program code 780 to track expenditures. These funds are available in FY2010 and FY2011 to support increases in the basic and per-ANB entitlements in the General Fund using federal ARRA funds.

Deferred Maintenance & Energy Efficiency Improvements

Distributed by the Department of Commerce. Deposit in Miscellaneous Programs Fund (15) using revenue code 3700. Use expenditure program code 370 to track expenditures. Distribution based on the Quality Educator payment formula. These funds are available for deferred maintenance on school facilities and making energy improvements. Funds must be spent by September 30, 2010.

Quick Start Energy Grants

These competitive grants are administered and distributed by the Department of Commerce. Deposit in Miscellaneous Programs Fund (15) using revenue code 3710. Use expenditure program code 371 to track expenditures. These funds are available for improvements based on an energy audit to achieve energy efficiency and save the school money. The energy audit can be a part of the grant cost. Funds must be obligated by September 30, 2009.

State Special Education Allowable Costs

Distributed by the Office of Public Instruction through the state special education allowable cost payment. Deposit in General Fund (01) using revenue code 3730. **Use expenditure program code 280** to track expenditures. These funds should be spent on a school district's special education program and will count toward a district's local match to avoid reversion and IDEA, Part B maintenance of effort requirements.

HB 152, 2009 Legislative Session – Provides funding for school facilities through a competitive grant program. Funds available in FY 2010 and FY2011.

Quality Schools Facility Grant Program

Administered and distributed by the Department of Commerce. Deposit in Miscellaneous Programs Fund (15) using revenue code 3720. Use expenditure program code 372 to track expenditures. Allowable expenditures include construction of a school facility; major repairs or deferred maintenance to an existing school facility; major improvements or enhancements to an existing school facility; or information technology infrastructure, including installations, upgrades, or improvements to an existing school facility or facilities.

HB 464, 2009 Legislative Session – Provides funding for advancing agricultural education in Montana.

Advancing Agriculture Education Program

Distributed by the Office of Public Instruction. Deposit in Miscellaneous Programs Fund (15) using revenue code 3270. Use expenditure program code 327 to track expenditures. Money to be used for addressing the stability of and making improvements to Montana's agricultural education programs.

Public Health Emergency Preparedness (PHEP) – Funds provided to develop emergency-ready public schools for and in response to pandemic influenza and other public health emergencies.

Public Health Emergency Preparedness – CFDA 93.069. Distributed by the Department of Health and Human Services in FY2010. Deposit in the Miscellaneous Programs Fund (15) using revenue code 4730. Use expenditure program code 473 to track expenditures.

ARRA IDEA Recovery Funds for Services to Children and Youths with Disabilities - All ARRA IDEA funds must be used consistent with the current IDEA, Part B statutory and regulatory requirements and applicable requirements in the General Education Provisions Act (GEPA) and the Education Department General Administrative Regulations (EDGAR). An LEA must use ARRA IDEA funds only for the excess costs of providing special education and related services to children with disabilities, except where IDEA specifically provides otherwise. These funds are available from FY2009 to FY2011.

ARRA IDEA, Part B - CFDA 84.391.

Deposit in Miscellaneous Programs Fund (15) using revenue code 7500. Use expenditure program code 750 to track expenditures.

ARRA IDEA, Preschool – CFDA 84.392.

Deposit in Miscellaneous Programs Fund (15) using revenue code 7510. Use expenditure program code 751 to track expenditures.

ARRA Title I, Part A, School Improvement, Title II-D, Homeless Children and Youth and Title I Schoolwide- LEAs must use these funds consistent with the present statutory and regulatory requirements, including the requirements to provide equitable services to eligible private school students. Uses should be aligned with the core goals of the ARRA to save and create jobs and to advance reforms consistent with the requirements of Title I, School Improvement, Title II-D, Homeless Children & Youth and Title I Schoolwide.

ARRA Title I, Part A - CFDA 84.389.

Deposit in Miscellaneous Programs Fund (15) using revenue code 7520. Use expenditure program code 752 to track expenditures. These funds may be spent from FY2009 to FY2011, but are subject to carryover requirements for Title I, Part A.

ARRA School Improvement 1003g – CFDA 84.388.

Deposit in Miscellaneous Programs Fund (15) using revenue code 7530. Use expenditure program code 753 to track expenditures. These funds are awarded on a competitive basis.

ARRA Title II-D - Competitive – CFDA 84.386.

Deposit in Miscellaneous Programs Fund (15) using revenue code 7540. Use expenditure program code 754 to track expenditures. These funds are available in FY2010.

The Montana Office of Public Instruction provides vision, advocacy, support, and leadership for schools and communities to ensure that all students meet today's challenges and tomorrow's opportunities.

ARRA McKinney-Vento Homeless Children & Youth – CFDA 84.387A.

Deposit in Miscellaneous Programs Fund 15 using revenue code 7550. Use expenditure program code 755 to track expenditures. Funds are provided in FY2010 to help states and school districts meet the educational and related needs of homeless students such as enrolling, attending and succeeding in school.

ARRA Title I Schoolwide Program – CFDA 84.389A.

Deposit in Miscellaneous Programs Fund 15 using revenue code 7560. Use expenditure program code 756 to track expenditures. Funds are available in FY2010.

ARRA Impact Aid - Funds provided under section 8007 may be used for elementary and secondary school construction activities, including the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, repairing, or extending school facilities; and inspecting and supervising the construction of school facilities. These funds remain available for obligation through September 30, 2011.

ARRA Impact Aid, School Construction Formula Grants – CFDA 84.404A.

These funds were distributed by the U.S. Department of Education Impact Aid Program to 28 school districts in April 2009. Deposit in Miscellaneous Programs Fund (15) using revenue code 7600. Use expenditure program code 760 to track expenditures.

ARRA Impact Aid, Discretionary Construction Grants – CFDA 84.401.

These competitive grants will be distributed by the U.S. Department of Education Impact Aid Program. Deposit in Miscellaneous Programs Fund (15) using revenue code 7610. Use expenditure program code 761 to track expenditures.

ARRA School Foods – These are competitive grants that may be used for the purchase of new equipment, renovation of equipment, or replacement of equipment. All expenditures must meet the district's capitalization threshold for capital assets. Grant period is from June 1st, 2009 to August 31st, 2009.

ARRA School Nutrition Equipment Assistance Grant – CFDA 10.579.

Distributed by the Office of Public Instruction. Deposit in Miscellaneous Programs Fund (15) using revenue code 7620. Use expenditure program code 762 to track expenditures.

ARRA Clean Diesel School Bus Replacement – These are competitive for reducing diesel emissions. Allowable expenditures include exhaust controls, engine upgrades, cleaner fuel use, idle reduction technologies, aerodynamic technologies, low rolling resistance tires, engine repowers and vehicle or equipment replacement. Funds must be expended by September 30th, 2010.

ARRA National Clean Diesel Grant Program – CFDA 66.039.

Administered and distributed by the Department of Environmental Quality (DEQ) in FY2010. Deposit in Miscellaneous Programs Fund (15) using revenue code 7630. Use expenditure program code 763 to track expenditures.

Payment Description	Payment Year			Fund Paid To	Revenue Code	Expenditure Program Code
	FY2009	FY2010	FY2011			
Advancing Agriculture Education Program (HB 464)	No	Yes	No	Misc. Program Fund 15	3270	327
Deferred Maintenance & Energy Efficiency Improvements (HB645)	No	Yes	No	Misc. Program Fund 15	3700	370
Quick Start Energy Grants (HB645)	No	Yes	No	Misc. Program Fund 15	3710	371
Quality Schools Facility Grant Program (HB152)	No	Yes	Yes	Misc. Program Fund 15	3720	372
HB645 Special Education Allowable Costs	No	Yes	Yes	General Fund 01	3730	280
Public Health Emergency Preparedness	No	Yes	No	Misc. Program Fund 15	4730	473
ARRA IDEA Part B	Yes*	Yes	No	Misc. Program Fund 15	7500	750
ARRA IDEA, Preschool	Yes*	Yes	No	Misc. Program Fund 15	7510	751
ARRA Title I, Part A	Yes*	Yes	No	Misc. Program Fund 15	7520	752
ARRA School Improvement 1003g	No	Yes	No	Misc. Program Fund 15	7530	753
ARRA Title II-D, Competitive	No	Yes	No	Misc. Program Fund 15	7540	754
ARRA McKinney-Vento Homeless Children & Youth	No	Yes	No	Misc. Program Fund 15	7550	755
ARRA Title I Schoolwide Program	Yes*	Yes	No	Misc Program Fund 15	7560	756
ARRA Impact Aid, School Construction Formula Grants	Yes	No	No	Misc. Program Fund 15	7600	760

Payment Description	Payment Year			Fund Paid To	Revenue Code	Expenditure Program Code
	FY2009	FY2010	FY2011			
ARRA Impact Aid, Discretionary Construction Grants	No	Yes	No	Misc. Program Fund 15	7610	761
ARRA School Nutrition Equipment Assistance Grant	Yes	Yes	No	Misc. Program Fund 15	7620	762
ARRA National Clean Diesel Grant Program	No	Yes	No	Misc. Program Fund 15	7630	763
ARRA State Fiscal Stabilization Fund (HB645)	No	Yes	Yes	General Fund 01	7800	780

* Available upon completion of grant application by June 30th, 2009

For more information contact Rebecca Phillips at (406) 444-0783 or Denise Ulberg at (406) 444-1960.